

ask



SHIP

Q: My mother says she's almost hit the donut hole on her prescription drug coverage. What does that mean, and what can she do to save on prescription costs?

A: The prescription drug coverage gap (also known as the donut hole) is the period between your initial coverage limit and the catastrophic coverage threshold.

The coverage gap starts after you and your plan have spent a certain amount of money for covered drugs. In 2017, once you and your plan have spent \$3,700 on covered drugs, you're in the coverage gap.

Although you'll pay no more than 40% of the price for a brand-name drug in 2017, 95% of the price—what you pay plus the 50% manufacturer discount payment—will count as out-of-pocket costs which will help you get out of the coverage gap.

The following expenses aren't counted toward your out-of-pocket spending:

- What the drug plan pays toward the drug cost (5% of the price)
- What the drug plan pays toward the dispensing fee (55% of the fee)

Ways to Help Bridge the Gap

If you have Medicare and have limited income and resources, you may qualify for Extra Help paying for prescription drugs. Your annual income must be limited to \$17,820 for an individual or \$24,030 for a married couple living together, and your resources must be limited to \$12,320 for an individual or \$26,860 for a married couple living together. people with Medicare who get Extra Help paying Part D costs won't enter the coverage gap.

Consider switching to a generic drug that is the same as your name brand drug. Another option is to switch to a prescription with a lower cost brand name. Ask your doctor if either of these are an option.

Some pharmacy networks offer mail-order pharmacies with lower prices. Check if

your plan offers prescriptions by mail.

Some pharmaceutical companies offer assistance programs for people enrolled in a Medicare drug plan who have reached the gap in coverage. To find out if a Pharmaceutical Assistance Program is offered by the manufacturer of your prescription, go to www.medicare.gov or contact the State Health Insurance Assistance Program (SHIP).

Hoosier Rx is Indiana's prescription drug plan for low income seniors. HoosierRx does not consider your assets; it only considers your income. So, if your yearly net income is \$18,060 or less for an individual or \$24,276 or less for a couple, you could receive help paying for your Medicare prescription premium. To apply call free of charge 1-866-267-4679.

Have questions about the Prescription Coverage Gap or any other questions about Medicare, call SHIP at 1-800-452-4800, 1-866-846-0139 TDD or online at www.medicare.in.gov.

SHIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance.